

-----Original Message-----

From: Betty Kawagoe [mailto:bkawagoe@ahfi.com]
Sent: Friday, February 13, 2004 1:54 PM
To: Griffith, Doreen; steve.iwamura@tohatsu.co.jp
Cc: Glenn Melchinger; THayes2706@aol.com; hamanaka@habataki-law.jp;
kimura@kyoei-law.com; machida@sportsshinko.co.jp; morita@sportsshinko.co.jp
Subject: RE: Sports Shinko Tax Documents -- PRIVILEGEDANDCONFIDENTIAL

Please find attached is a Final Notice of Intent to Levy and File a Tax Lien from the Department of Taxation. This was received by our office today.

Betty Kawagoe
Secretary to Glenn T. Melchinger
Alston Hunt Floyd & Ing

>>> "Griffith, Doreen" <Doreen.Griffith@gt.com> 12/30/2003 9:15:34 AM >>>
Steve,

Yes, the penalties and interest should be paid.

The necessary change of address forms have been completed and are being sent to you in Japan for signature.

Thank you,
Doreen

-----Original Message-----

From: Iwamura, Steve (JP - Osaka) [mailto:steve.iwamura@tohatsu.co.jp]
Sent: Monday, December 29, 2003 7:21 AM
To: Griffith, Doreen
Cc: gmelchinger@ahfi.com; Kimura Keijiro; hamanaka@habataki-law.jp;
machida@sportsshinko.co.jp; morita@sportsshinko.co.jp;
THayes2706@aol.com
Subject: FW: Sports Shinko Tax Documents -- PRIVILEGED
ANDCONFIDENTIAL

Doreen,

Happy Holidays.

in clearing out my mails, i cannot find in my files, your response to Glenn's mail below. Can you advise:

1. if the bills and penalty amounts are correct and should be paid.
2. if we have filed all necessary change of address notices as instructed below.

Rec'd 11/21/05

EXHIBIT 27

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GT033674

2/23/2005

Steve

-----Original Message-----

From: Glenn Melchinger [mailto:gmelchinger@ahfi.com]

Sent: Friday, December 19, 2003 6:42 AM

To: Doreen.Griffith@gt.com; Iwamura, Steve (JP - Osaka)

Cc: THayes2706@aol.com; Shaun.Shimizu@gt.com; hamanaka@habataki-law.jp; kimura@kyoei-law.com; morita@sportsshinko.co.jp

Subject: Re: Sports Shinko Tax Documents -- PRIVILEGED
ANDCONFIDENTIAL

Dear Shaun and Doreen,

Per Steve Iwamura's November 22 e-mail message below, the relevant tax authorities must be promptly notified of the change in address of the Sports Shinko offices.

Tom Hayes has been the representative and the various Sports Shinko entity addresses have been changed since October, 2002. As you know, the former Sports Shinko business locations are now being run by a completely different set of entities. Mail requiring a response from Sports Shinko should not go to these entities. The new address is available on the DCCA website:

Thomas S. Hayes
99-994 IWAENA STREET
SUITE C
AIEA Hawaii 96701
United States of America

Please could you handle this notification so our office does not continue to get late notifications and tax documents from Toshio Kinoshita's attorney, John Komeiji?

Please note the attached delinquency notices.

1. #2495.pdf was post-marked 11/26/03
2. #2496.pdf was post-marked 12/04/03.

2/23/2005

Rec'd 11/21/05

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Vixaysack, Hongchay

From: Iwamura, Steve (JP - Osaka) [steve.iwamura@tohatsu.co.jp] **Sent:** Sat 10/23/2004 6:29 AM
To: Vixaysack, Hongchay
Cc: machida@sportsshinko.co.jp; Mori, Yoko (JP - Osaka)
Subject: RE: California Franchise Ta Return for Scawfell La Costa Company
Attachments:

Hongchay,
thanks for getting the returns done. If you have not done the requested letter yet, we will do it here. Its faster and probably cheaper.
Steve

-----Original Message-----

From: Vixaysack, Hongchay [mailto:Hongchaythip.Vixaysack@gt.com]
Sent: Saturday, October 23, 2004 6:19 AM
To: Iwamura, Steve (JP - Osaka)
Subject: RE: California Franchise Ta Return for Scawfell La Costa Company

Steve,

The returns will be sent to a reviewer today so I will try to get these out to you later next week. As far as the other requests, I will work on completing them.

Regards,
Hongchay

-----Original Message-----

From: Iwamura, Steve (JP - Osaka) [mailto:steve.iwamura@tohatsu.co.jp]
Sent: Wednesday, October 20, 2004 8:22 PM
To: Vixaysack, Hongchay
Cc: Griffith, Doreen; Mori, Yoko (JP - Osaka); Yoshihiko Machida (CEO, SS-USA); mutsumi.nakamura@accordiagolf.com
Subject: RE: California Franchise Ta Return for Scawfell La Costa Company

Hongchay,

when will these returns be completed?

In the meantime, please send a short note to the FTB:

- notifying them we will file the return asap;
- advising them of the change in address
- requesting information and procedures for dissolution/withdrawal (for the future).

steve

-----Original Message-----

From: Iwamura, Steve (JP - Osaka)
Sent: Thursday, October 21, 2004 11:56 AM
To: 'Vixaysack, Hongchay'

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Cc: Griffith, Doreen; Mori, Yoko (JP - Osaka); Yoshihiko Machida (CEO, SS-USA); Nakamura Mutsumi (mutsumi.nakamura@accordiagolf.com)
Subject: RE: California Franchise Ta Return for Scawfell La Costa Company

Hongchay,

for scawfell, please use the following address:

Scawfell La Costa Company
c/o Accordia Golf Co., Ltd.
Shibuya Cross Tower 16th floor,
15-1, Shibuya 2-chome, Shibuya-ku, Tokyo Japan 150-0002
Attn: Mr. Mutsumi Nakamura

Steve

-----Original Message-----

From: Vixaysack, Hongchay [mailto:Hongchaythip.Vixaysack@GT.com]

Sent: Wednesday, October 20, 2004 4:40 AM

To: Iwamura, Steve (JP - Osaka)

Cc: Griffith, Doreen

Subject: RE: California Franchise Ta Return for Scawfell La Costa Company

Steve,

We received your email and have begun working on the preparation of Scawfell's tax returns for 2002 and 2003. Please confirm that we should use 99-994 Iwaena Street Suite C, Aiea HI 96701 as on other returns. The returns will be sent to you shortly thereafter.

Regard,

Hongchay

-----Original Message-----

From: Iwamura, Steve (JP - Osaka) [mailto:steve.iwamura@tohmatu.co.jp]

Sent: Friday, October 15, 2004 12:37 AM

To: Griffith, Doreen

Cc: Yoshihiko Machida (CEO, SS-USA); Jampel, Alexander R.; Yoko Mori (JP - Osaka) (Mori, Yoko (JP - Osaka))

Subject: California Franchise Ta Return for Scawfell La Costa Company

Doreen,

Scawfell La Costa Company ("Scawfell") is a Delaware company owned 100% by LC Hotel and Spa Corporation ("LC"). Scawfell is registered as a foreign corporation in California.

LC has dissolved Scawfell in Delaware. However, it is a possible party

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to a lawsuit in which SS-USA is a plaintiff. SS-USA's California attorneys has advised LC to maintain Scawfell's California registration despite the fact Scawfell has already been dissolved in Delaware.

Because Scawfell continues to be registered in California, the Franchise Tax Board (FTB) has sent the attached notice demanding filing of a state income tax return.

Under California rules, a state income tax return is required even if the California entity is inactive. In checking my mails with Cindy, she was advised by LC's general counsel that FTB will continue to expect a return until Scawfell obtains a tax clearance certificate from the State.

To avoid this state filing requirement, we could try and make the case that Scawfell is dissolved and ceases to exist; however, such a position would contradict the position being taken by our California attorneys, who are trying to maintain Scawfell as a legal person in California.

Mails with Cindy say Scawfell made the necessary filings in 2001. The attached notice is for 2002.

Please prepare the California income tax return for tax years ended December 31, 2002 and 2003. Scawfell had no activity, and there is no balance sheet, no taxable income or deductions to speak of, no physical presence or employees. The minimum franchise tax of \$800 should apply (plus some possible penalties).

We will also need to change the address with the IRS to a Japan address that i will provide you with later. Finally, please do not communicate with Cindy Brown on this subject.

Steve

Steve Iwamura, Partner

Business Advisory Services

Deloitte Touche Tohmatsu

Osaka Kokusai Building

2-3-13 Azuchi-machi, Chuo-ku

Osaka, Japan 541-0052

tel: +81-6-6262-0919 / fax: +81-6-6261-1269

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